WEEKLY ECONOMIC REVIEW

FEBRUARY 25, 2005

The U.S. Bureau of Economic Analysis revised U.S fourth quarter growth to 3.8% from the preliminary estimate of 3.1% released a month ago. For all of 2004, the U.S. economy had its best showing in five years, expanding by 4.4%.

The Canadian dollar traded lower on news from the 2005 Federal Budget of the immediate elimination of the 30% foreign cap on RRSP allocations. Market fears of large capital outflows from Canada were the main driver of the lower dollar, though these fears should be short-lived as portfolio adjustments occur slowly.

Weak consumer price inflation figures dampened expectations of future interest rate increases from the Bank of Canada, and also contributed to the weakening of the dollar this week.

Alberta's consumer sector continued to show exceptional strength in 2004, with retail sales up 11.2% for the year. This was the strongest growth among the provinces and more than double the national rate.

Canadian Dollar (US¢/CS)

Feb 25, 2005	80.6¢
Feb 18, 2005	81.3¢
2004-05 YTD	78.0¢

WTI Oil $US/bbl

Feb 24, 2005	$51.39
Feb 17, 2005	$47.54
2004-05 YTD	$44.05

Nymex Natural Gas C$/mcf*

April Contract

Feb 25, 2005	$8.00
Feb 18, 2005	$7.32

*estimate based on Nymex Futures Market Price

Alberta also led the country in farm cash receipts for 2004, with growth of 16.0%. Strength in crop receipts (+40.3%)-a result of improved growing conditions, hog receipts (+33.5%) and an increase of program payments (+5.2%) contributed to the overall gain. Nationally, farm cash receipts were up 7.5%.

The effect of cold weather and a bullish OPEC outlook on oil increased the price of oil above US$50 a barrel this week.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	2004 Annual
Consumer Price Index	January 2005			
Alberta	131.7	-0.4%	1.5%	1.4%
Canada	125.3	-0.1%	2.0%	1.9%
U.S. Consumer Price Index	January 2005			
	190.7	0.1%	3.0%	2.7%
Retail Trade ($ millions)	December 2004			
Alberta	3,685	-2.1%	12.0%	11.2%
Canada	29,180	-1.4%	6.6%	5.0%

Source: Statistics Canada and U.S. Bureau of Labor Statistics